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KHPA Warns of Growing Backlog
Up to 50,000 Kansans Face Delayed Medical Care

(TOPEKA) – The Kansas Health Policy Authority warned lawmakers and the governor today that as many as 50,000 Kansans could be denied timely access to medical care in the months ahead unless the state provides additional resources to deal with the growing backlog of applications.

The backlog will put Kansas in danger of being out of compliance with federal Medicaid rules, which could threaten future Medicaid funding. It will also result in more uncompensated care for doctors, hospitals, clinics and other providers, which ultimately leads to denial of access for tens of thousands of low-income Kansans.

“We simply cannot keep up with the rising volume of applications,” said KHPA Executive Director Marcia Nielsen. “Thousands of Kansans have lost their jobs and their health care in the last year, and those people are naturally turning to us for help. But at the same time, we’ve taken one cut after another in our administrative budget, and right now lawmakers are considering even deeper cuts in their efforts to balance the budget.”

To clear up the current backlog and prevent matters from getting worse, KHPA is asking lawmakers to approve a proviso in the Omnibus budget that would allow the agency to reduce provider reimbursement rates by no more than 1 percent. That would allow the agency to shift about \$1.5 million from its medical services account into the administrative account in order to maintain core Medicaid operations through Fiscal Year 2010.

As a result of budget cuts already enacted, KHPA is holding 28 of its staff positions vacant, or about 10 percent of its authorized workforce, and will need to eliminate at least 10 more jobs in July. Nielsen said further reductions will force cutbacks in the agency’s clearinghouse operation, which screens applicants for benefits, as well as its fiscal agent contract which processes claims and issues payments to providers. The fiscal agent service also plays a key role in preventing waste, fraud and abuse by monitoring usage and verifying the accuracy of billings.

(more)

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Additional cuts would also result in cutbacks of one-quarter to one-half in customer and provider service operations that help steer Medicaid applicants through the eligibility process and answer billing questions from doctors, pharmacists and other providers.

KHPA Deputy Director Andrew Allison, the state Medicaid director, said the current shortage of staff and resources is already producing backlogs in the clearinghouse, and that the impact on enrollment will reach a crisis in coming months.

As of April 30, the number of people with applications pending longer than 30 days stood at less than 2,000. Without additional resources to clear up the backlog, Allison projected that number would reach at least 33,000 by December 2009, and could grow to as much as 50,000.

Federal Medicaid rules require applications be processed within 45 days. Failure to comply with that rule can result in financial penalties and loss of federal funding. The federal government currently provides more than two-thirds of funding for Kansas Medicaid.

“Most people apply for medical assistance because they need it now,” Allison said. “Often it’s because either they or someone in their family has a pressing medical condition that needs treatment. It could be a high-risk newborn, a child with asthma, or a spouse with chronic diabetes. These people need health care and they have nowhere else to turn except to the state. Right now, many wait more than a month for Federally guaranteed medical benefits. By the end of the year, tens of thousands could be waiting far longer.”